



What's ahead for Education after the 2012 Election

By Michael Q. McShane, Daniel Lautzenheiser, KC Deane, and Allison Kimmel

Although education policy has seen much change and activity in last four years, newly elected and veteran leaders will encounter three key trends following the 2012 election: the federal government's lack of K-12 funding now that the stimulus dollars of the last few years have dried up; a split in the Republican Party concerning education reform and statewide education reform initiatives; and the undaunted political power of teachers unions, which won several victories at the state level. While the Obama administration's first term has focused on competitive grants and waivers, its second term will shift toward managing implementation and pushback while coping with staff shake-ups within the Department of Education. Reauthorization of the Elementary and Secondary Education Act in Congress will have to compete with other priorities, like the fiscal cliff, federal deficit, and health care reform. State-level leaders will have to continue to navigate the ongoing influence of teachers unions and popular reform issues like charter schools. All of these changes add up to an uncertain outlook for education reform over the next four years.

Education policy has seen a flurry of activity in the last four years. At the federal level, the Obama administration's landmark Race to the Top program and controversial waiver plans encouraged reform in the areas of accountability and choice, which spurred interventions in low-performing schools and districts. At the state level, efforts to drastically curtail the collective bargaining abilities of public-sector unions have left hesitant citizens with a bitter aftertaste—igniting questions about how far reformers are willing to go to modernize a system designed more than a half century ago.

What do the next four years hold? We see three key trends that newly elected and veteran leaders alike will encounter as they navigate the policy landscape. First, the federal government

The authors are all part of the Education Policy Studies program at AEI. Please contact Michael McShane (michael.mcshane@aei.org).

Key points in this Outlook:

- Following the 2012 election, we see three major trends in education reform: reduced federal funding for K-12, a growing divide over education reform within the GOP, and the staying power of teachers unions.
- The attention of the new Congress will likely be monopolized by economic issues and implementation of the Affordable Care Act, leaving it little time for Elementary and Secondary Education Act reauthorization or other significant education reforms.
- Issues surrounding ESEA waivers and higher education will likely be focal points at the federal level, with charter schooling, union, and teacher evaluation issues dominating at the state level.

has less money to work with when it comes to K–12 education than it did in Obama’s first term. Most of the education action during the first term was driven by a one-time influx of funding from the stimulus package. Not only did almost \$100 billion head to states to stave off a round of teacher layoffs, but the signature reform programs Race to the Top and Investing in Innovation (i3) were driven by these dollars. There is little chance of another stimulus, so education policymakers will need to make policy within much tighter constraints.

Second, the 2012 election exposed a growing schism over education reform developing within the Republican Party. Republicans are split on their support of the Common Core State Standards Initiative, a set of academic content standards now adopted by 46 states. When it was initially cast by the National Governors Association and the Council of Chief State School Officers as a state-level process, it saw wide support among Republicans. After the Obama administration included Common Core adoption as a criterion for Race to the Top funds, and especially after the Democratic Party promoted it as part of the party platform, support dried up in many Republican quarters. With prominent Republicans like Jeb Bush supporting the initiative and many state-level representatives opposing it, trouble is brewing.

There is little chance of another stimulus, so education policymakers will need to make policy within much tighter constraints.

But division is also being sown between various constituencies within the GOP on statewide education reform initiatives. As we will discuss, rejection of Republican-backed proposals in deep-red Idaho and South Dakota show a divide between Republicans who are happy with the schools their children and grandchildren attend and are disinclined to do anything to change them and those interested in pushing more systemic reform.

Finally, this election showed a once-hegemonic interest group, teachers unions, as down but certainly not out. Like the news that Mark Twain’s death was greatly exaggerated, prognosticators who saw defeat in Wisconsin as the end of teachers unions overstated their hands.¹ In the smattering of state-level contests across the country, union outcomes were a mixed bag, and while these victories were definitely less than would have been expected even a decade ago, they were significant.

In the next three sections, we will analyze the 2012 election and look to the future of three key players in education policy: a second-term Obama administration’s Department of Education, a legislature that may not have time (or money) for education in light of other pressing concerns, and the various states that elected new officials and passed ballot initiatives that will shape education in the upcoming years.

Shakeups and Strategy at 400 Maryland Avenue

Like many other institutions after the 2012 election, the Department of Education in President Obama’s second term will look much like it did in his first term, with a couple of exceptions. Pending any unforeseen shift, Secretary Arne Duncan will remain secretary of education. As he mentioned in an interview in late September, “I’m in it for the long haul. . . I’m staying, unless the president gets sick of me.”² The president is unlikely to get sick of him. Duncan has been a stout defender of the Obama education agenda and has been extremely popular across party lines.³

Similarly, the secretary’s policy team will likely stay intact. Waiver guru and Assistant Secretary for Planning, Evaluation, and Policy Development Carmel Martin plans to see the second term through. Race to the Top mastermind and Chief of Staff Joanne Weiss will also stay for the second term.

The most interesting change in the department may be the departure of Assistant Secretary for Communications and Outreach Peter Cunningham. Cunningham has remained by Duncan’s side for four years, navigating numerous headaches and directing strategic moves. Secretary Duncan and his team have had to walk a fine line, balancing the administration’s aggressive reform-minded agenda with the interests of teachers unions, a powerful constituency for the Democratic Party.

To manage this tension, the department has oscillated between celebrating reforms that the unions generally oppose (including using student test scores to measure teacher performance⁴) and denouncing efforts that clash with the union platform (such as limiting the scope of collective bargaining).⁵ Secretary Duncan has had to use even more careful rhetoric in navigating the Common Core State Standards Initiative, calling it a “state-led reform” to appease the right while touting it in the campaign as an Obama-era accomplishment.⁶

The communications shift may seem relatively minor if the policy team remains intact. Yet Cunningham's successor will have the daunting task of managing external relations for an administration in transition. The department will likely have little money for transformative changes (as it enjoyed with *Race to the Top*). As a result, it will need to shift to supervising the implementation of first-term reforms and holding states accountable under new waiver agreements. The image of the department might be in for a change.

Specifically, the new assistant secretary for communications and outreach will be tasked with dealing with the optics of three main initiatives that, if not handled delicately, could derail the Obama education agenda: Common Core, Elementary and Secondary Education Act (ESEA) waivers, and a stimulus-less budget.

Common Core. To say that the Obama administration supports the Common Core State Standards Initiative would be an understatement. The administration urged states to adopt the Common Core by making them a condition for *Race to the Top* funds and ESEA waivers. But while the administration's first term was largely about getting states to adopt the standards, the second will be more about managing the implementation pushback from both the left and the right.

Many prominent conservatives have rebelled against the Common Core—arguing that it represents “Obama-era overreach.”⁷ The new communications secretary is also likely to encounter pushback from the left. While the administration has funded the consortia developing the Common Core aligned tests (the Partnership for Assessment of Readiness of College and Careers and the Smarter Balanced Assessment Consortium), states will now need to look to their cash-strapped legislatures to fund implementation. With new information likely to surface demonstrating that fewer students are *actually* proficient than is currently assumed, teachers and parents will likely push for more money (which legislators tasked with a sputtering economy and dealing with Obamacare are unlikely to have) or rebel against the standards in general.⁸

ESEA Waivers. Given that it seems doubtful that reauthorizing the long-overdue ESEA will be on the congressional agenda any time soon (more on that in the next section on Congress), the administration will most likely continue to issue “waivers” for certain accountability sections of the law to states that have adopted the

conditions that the administration has outlined (the most prominent being “college- and career-ready standards,” new accountability systems, and rigorous teacher and principal evaluation systems). The new communications secretary will need to manage pushback from both states that have not applied (and will encounter increasingly strident NCLB sanctions) and the 34 waiver-approved states that may defect on their promises.

Managing the transition from a department of big ideas and big programs to one that manages the implementation of big idea-based programs with decreased resources will take masterful messaging.

Given that all state winners of the *Race to the Top* competition are currently out of compliance with their original plans, other states' efforts to adopt similar waiver provisions will presumably meet similar political struggles.⁹ Developing the conditions and approving the waivers was a tough first-term job for the department. Holding states' feet to the fire to ensure that they follow through with their promises will be an even tougher and less popular task.

Budgets. Whether or not Congress goes over the fiscal cliff and sequestration cuts take effect, federal education funding is in for tough times ahead. First, the Obama-era education reforms (*Race to the Top* and *i3*, in particular) were funded by stimulus dollars—which will not be around for the second term. The less reform-minded policies of the Obama administration (those that saved teacher jobs and funded cash-strapped districts) were cash-intensive and thus are off the table in a second term. States will need to make the tough decisions between funding programs, saving teacher jobs, and decreasing class sizes, without the cushion of extra dollars. The administration will need to maintain its authority and reform agenda with very little money to support it or retreat to a role largely tasked with handing out and managing formula grants.

Needless to say, the new assistant secretary (and acting communications chief Massie Ritsch, in the interim) will certainly have some tough issues to tackle. Managing the transition from a department of big ideas and big programs to one that manages the

implementation of big idea-based programs with decreased resources will take masterful messaging. Whoever fills this key post will likely play an enormous role in the success or failure of the education policies of a second Obama administration.

The Outlook for Congress

The overall composition of the House and Senate has remained virtually unchanged as a result of the 2012 election. The Senate moved from a 53–47 to a 55–45 Democratic majority. In the House, Republican dominance dwindled just slightly, from 242–193 to 234–201. In terms of committees tasked with education, John Kline (R-MN) should remain head of the House Education and the Workforce Committee, and only six members of that 40-person committee are not returning. Only a single member on the Senate Health, Education, Labor, and Pensions (HELP) Committee was not reelected.

In an interesting twist, it appears that Lamar Alexander (R-TN) will succeed Mike Enzi (R-WY) as the ranking Republican on the Senate HELP Committee, based on the rules of committee term limits established by Senate Republicans several years ago. Alexander, in addition to being an influential Republican Senate leader (he served as chair of the Senate Republican Conference from 2007 to 2012), has experience as a governor, a university president, and secretary of education. His appointment should lend gravitas to education issues while bringing with it his skepticism of the federal role in K–12 schooling.

We should also expect to see his chief education aide, David Cleary, play an increasingly important role. He will be tasked with managing the tension in the Republican caucus over the appropriate place for the federal government in education policy, a tension exacerbated by the emergence of the Tea Party in 2010.

Outside of simple personnel changes, questions about the economy, the federal deficit, and the looming “fiscal cliff” will most likely dominate the legislative agenda heading into 2013. On the table first is a set of across-the-board federal spending cuts commonly known as sequestration that were passed as a part of the 2011 deal raising the debt ceiling. Estimates from the Office of Management and Budget suggest that this could mean an 8.2 percent cut to the Department of Education’s \$68 billion budget. Sequestration was intended to jar Congress into action this go-round, yet the election results and the lack of a clear mandate make a recipe for more gridlock,

not increased collaboration. And as we have mentioned, education spending over the past four years has been propped up by American Recovery and Reinvestment Act stimulus dollars; excluding that, education spending has actually declined slightly during the president’s tenure.¹⁰ All this suggests that the 113th Congress will have to learn how to do the same with less—and quickly.

Most of the action will occur at the postsecondary level, not K–12.

A further consideration is the implementation over the next several years of the Obama administration’s signature domestic policy initiative, the Affordable Care Act (ACA). The same committee in the Senate that oversees education—the HELP Committee—will also be tasked with overseeing many of the ACA provisions slated for implementation starting in 2013 and 2014. It is looking increasingly likely that the “H” in HELP will overshadow the “E.” In fact, at a recent panel discussion at AEI, prominent education commentator Andy Rotherham went so far as to call education “an afterthought” in the minds of legislators compared to health care and the economy.¹¹

Given that Congress’s attention is going to be focused on the deficit, economy, and the ACA, and the limited dollars and political appetite for more spending, law-makers likely will not have the time or political energy to address the most prominent question in education circles, the possible reauthorization of ESEA (whose most recent iteration was No Child Left Behind). Nor, for that matter, is Congress likely to consider other major education bills that also need reauthorization, including such federal landmarks as the Individuals with Disabilities Education Act, the Higher Education Act, and the Workforce Investment Act—creating the perfect storm of bills long overdue for reauthorization yet unlikely to receive it.

So, what is going to happen when it comes to education in the legislature? It appears that most of the action will occur at the postsecondary level, not K–12. Congress will likely address two key initiatives in higher education during this session.

First, the Pell grant program, one of the primary ways low-income students finance their college education, is facing a \$7 billion annual shortfall. Policymakers will need to do something to stop the bleeding.

Second, gainful-employment regulations released in 2011 by the Department of Education have started to go

into effect. These regulations mandate that institutions of higher education show that their graduates hit certain thresholds for loan repayment and debt-to-income ratios to be eligible for federal financial aid. They have come under attack from Republicans in the House, including Kline and Virginia Foxx (R-NC), who have argued that they create red tape that unfairly targets for-profit institutions. The status of these rules going forward is open to debate.

A View from the States: Ballot Measures and State Politics

In the fervor of national elections, commentators sometimes lose sight of the impact state and local decision-making have on reform efforts for issues like education. As such, the results of several key state-level races may have even more influence than the macro-level policy conversations happening at the federal level.

One of the most powerful interests at work in states is teachers unions. With deep pockets and the interests of one of the largest blocks of public-sector employees on their side, they have for years had an outsized influence on education policy.¹² However, after numerous attention-grabbing battles between the unions and their political foes (the recent Chicago teachers union strike and the showdown with Wisconsin Governor Scott Walker being the most visible), pundits and bystanders had begun to hypothesize the demise of the teachers unions.¹³ Numerous state-level contests in which union interests were at play produce a nuanced view of their evolving role in the education landscape. Although teachers unions had some wins, they did lose some battles. But, more important, these battles are increasingly over issues unions have not had to contest in the past.

The Indiana Test. Republican Indiana State Superintendent Tony Bennett, a “national darling child of the school reform movement” and chair of the bipartisan organization Chiefs for Change, lost his bid for reelection to Democrat Glenda Ritz, a union supporter and outspoken critic of Bennett’s policies.¹⁴ She rallied harsh disapproval from the left for Bennett’s stance on the big issues: vouchers, charter schools, and teacher evaluation.

But this disaffection from the left was coupled with the aforementioned fissure within the Republican reform constituency. Bennett’s support of the Common Core State Standards aligned him with President Obama in a

way that did not sit well with many right-leaning Indiana voters. His ties to “Obamacore,” as it has become known in some circles, prompted pushback from far-right voters skeptical of federal overreach.¹⁵ With both sides questioning his credentials—unions to the left of him, anti-Common Core conservatives to the right—Bennett was stuck in the middle without victory.

The two traditional factions in education policy struggles—teachers unions and Republicans—are undergoing serious changes.

Even so, the incoming Ritz will face a newly elected Republican governor, Mike Pence. Hours after winning his election, Pence referenced his victory as an indication that Indiana voters seek continuing conservative education reform. Even if Ritz is set on reversing the very policies he is advocating, Pence has been unafraid to make clear that ousting Bennett is not enough to change his political agenda.¹⁶

Collective Bargaining and Paycheck Provisions. In blue California, Proposition 32 (a paycheck provision act seeking to ban unions from using members’ annual dues for campaign contributions) was defeated with 56.1 percent of the vote. This was the third failed attempt at passing the measure in 14 years, making its defeat less surprising. Had it passed, it would surely have signaled a sizeable chink in the union’s armor. Interestingly, opposition to such a paycheck provision has increased since the last two attempts, in 1998 and 2005.¹⁷ Perhaps California voters’ opposition increased in response to perceived threats to teachers unions at the national level.

But surprisingly, two staunchly red states, Idaho and South Dakota, rejected a series of education reform bills introduced by their Republican governors, further underscoring the growing fissure in the Republican coalition over education reform issues. While more than 64 percent of Idahoans voted for Romney in the recent presidential election, they struck down three education reform-related propositions—all based on laws passed in 2011 with widespread approval from a Republican superintendent of public instruction and education reform proponent, Tom Luna. The defeat protected teacher tenure and collective bargaining, overthrew a merit pay proposal, and squelched an effort to require that all high school students take at least two online courses prior to

graduation. Voters in South Dakota struck down a similar referendum—Referred Law 16—that would have tied a teacher merit pay initiative to student test scores.

These defeats should give Republican reform leaders pause. While the Republican Party has long been seen as more reform-minded, plenty of Republicans are perfectly happy with the schools that their children attend and are therefore reticent to pass statewide reforms. When talking about education reform in other schools (and particularly in urban districts), as the recent successfully passed reforms in Wisconsin and Louisiana have, Republicans can be a reliable constituency. But when it comes to their own backyards, as would have occurred in Idaho and South Dakota, this pattern is not as clear.

At the same time, a state that trended blue moved in the opposite direction. Michigan ballot measure 12-2, which would have passed a constitutional amendment guaranteeing unions the right to collective bargaining, was defeated with 57 percent of the vote. While hard to imagine in such a union stronghold as Michigan, this underscores the changing landscape that teachers unions are attempting to navigate.

Charter Schools. Charter schools are no longer a hotly contested reform—only eight states still lack charter-friendly laws. Washington State, whose voters have struck down a similar amendment three times prior, passed Initiative 1240, which approves the establishment of 40 charter schools. The margin was slim—after days of careful counting, the initiative passed with 50.8 percent support. But King County, which includes Seattle and leans predictably left on most issues, voted against the initiative by only three points.¹⁸ Given that the unions fought to kill the bill, such weak support in a Democratic-leaning population center is a clear indication that the passage of 1240 was a defeat for the teachers unions.¹⁹

Georgia's charter school amendment, which reestablishes the state's ability to authorize charter schools, passed with 58.5 percent of the vote. District-only authorization is commonly viewed as a barrier to charter school expansion, and Georgia's battle to reestablish state authorization is a reminder to Washington that challenges continue long after a charter law's initial passage.

Funding. But Election Night did not end with unions and charters. California approved, with 54 percent of the vote, a behemoth funding initiative—Proposition 30—which taxes wealthier residents to increase K–12 spend-

ing. New Jersey and Rhode Island voters also approved spending initiatives for upgrades to state colleges. Even at the local level, voters showed their willingness to trade tax dollars for higher school budgets: Portland, Oregon, residents passed two funding-related measures, including a tax initiative that requires all residents above the poverty line to pay a \$35 annual tax to support arts education.

Implications for States. In short, the two traditional factions in education policy struggles—teachers unions and Republicans—are undergoing serious changes. Union victories and defeats showcase the fact that unions are fighting battles on multiple fronts. Republican defeats, driven in part by Republican voters' rejection of dramatic reform, showcase the right's growing diversity on education reform. Campaign season began with a strong win for unions in Chicago. That victory is now mired in Republican gubernatorial wins in Indiana and elsewhere, a reelected president whose education policies often break from the union platform, and the remains of bitter state-level fights to stave off threats to the union bottom line. Although the political climate in Wisconsin, Indiana, and Louisiana appeared to benefit from a state-level groundswell of Republican-led education reform, such progress has hit some serious speed bumps. Continued shifts of these power dynamics will become the new backdrop for education policy at every level: local, state, and federal.

Looking Forward: A Looming Crisis

So where does this leave us? At the federal level, the attention of Congress and the president is likely to be tied up with the stagnant economy, deficit crisis, and health care legislation. Most of the action, at least in Washington, DC, will be the Department of Education's grappling with ESEA waivers and Common Core messaging. At the state level, the picture is more varied. It will be interesting to watch the continued expansion of charter schooling and teacher evaluation policies, not to mention the ever-shifting dynamics between the "reformers" and teachers unions.

Perhaps the most important issue not to play a role in the recent elections was public-sector pension reform. This is not surprising, as the struggle necessary for their reform will be unpleasant for all parties involved. But as states see more of the money that they would like to be spending on a variety of education initiatives swallowed

up by their retired teachers and municipal employees, calls for reform may well grow louder.

This looming confrontation will be a great test of the lessons learned from this election. Will unions carry the day, as they did in California, or will they have to balance their priorities and focus on fights that they can win, like in Indiana? How will the savings offered by the more organizationally lean operation of public charter schools serve to mitigate some of these problems? Will Congress, the president, or the Department of Education weigh in on the issue? Will Republicans push back when their constituents see cuts (like they did when their children's teachers fell under accountability programs)?

Answers to these questions are far from clear. What is clear is that education policy is in for several years of strident debate, fierce competition for votes, and new policies and programs that we perhaps have not even thought of yet.

Notes

1. Bill Frezza, "Governor Walker's Victory Spells Doom for Public Sector Unions," *Forbes*, June 5, 2012, www.forbes.com/sites/billfrezza/2012/06/05/governor-walkers-victory-spells-doom-for-public-sector-unions/.

2. Devin Dwyer, "Obama's Cabinet Headed for Shake-Up," ABC News, November 7, 2012, <http://abcnews.go.com/Politics/OTUS/obama-cabinet-outlook-hillary-clinton-geithner/story?id=17654718#.ULfPxLqYVIO>.

3. Beth Hawkins, "Ideological Opponents Kline and Duncan Now the Nation's Most Powerful Figures on Education Policy," *MinnPost*, January 21, 2011, www.minnpost.com/learning-curve/2011/01/ideological-opponents-kline-and-duncan-now-nations-most-powerful-figures-educ.

4. Arne Duncan, "The Tennessee Story," Huffington Post Education, July 23, 2012, www.huffingtonpost.com/arne-duncan/the-tennessee-story_b_1695467.html.

5. Craig Gilbert, "Prior to Calling Walker, Education Secretary Duncan Bemoans Developments in Wisconsin," All Politics Blog, *Milwaukee Journal-Sentinel*, February 17, 2011, www.jsonline.com/blogs/news/116418339.html.

6. Arne Duncan, Speech to the Democratic National Convention, Charlotte, NC, September 5, 2012, www.politico.com/news/stories/0912/80777.html.

7. See Frederick M. Hess, "An Ominous Political Trend for Common Core-ites," August 15, 2012, <http://blogs.edweek.org>

[/edweek/trick_hess_straight_up/2012/08/an_ominous_political_trend_for_common_coreites.html](http://blogs.edweek.org/edweek/trick_hess_straight_up/2012/08/an_ominous_political_trend_for_common_coreites.html).

8. Andrew Ujifusa, "Scores Drop on Ky.'s Common Core-Aligned Tests," *Education Week*, November 2, 2012, www.edweek.org/ew/articles/2012/11/02/11standards.h32.html.

9. Ulrich Boser, *Race to the Top: What Have We Learned from the States So Far?* (Washington, DC: Center for American Progress, March 2012), www.americanprogress.org/wp-content/uploads/issues/2012/03/pdf/rtt_states.pdf.

10. Frederick M. Hess, "Obama the Education Spending Hawk," Rick Hess Straight Up, November 2, 2012, http://blogs.edweek.org/edweek/trick_hess_straight_up/2012/11/obama_the_education_spending_hawk.html.

11. Frederick M. Hess et al, "What Will the 2012 Election Mean for Education?" (event, American Enterprise Institute, Washington, DC, November 8, 2012).

12. Terry M. Moe, *Special Interest: Teachers Unions and America's Public Schools* (Washington, DC: Brookings, 2011).

13. Rick Ungar, "Will Chicago Teacher Strike Spell the End of the American Union Movement?" *Forbes*, September 10, 2012.

14. Scott Elliott, "Tony Bennett Defeat Will Send Shockwaves," Get on the Bus, *Indianapolis Star*, November 6, 2012, <http://blogs.indystar.com/education/2012/11/06/tony-bennett-defeat-will-send-shockwaves/>.

15. Phyllis Schlafly, "Like Obamacare, Obama Core Is Another Power Grab," Townhall, October 9, 2012, http://townhall.com/columnists/phyllisschlafly/2012/10/09/like_obamacare_obama_core_is_another_power_grab/page/full/.

16. "Indiana Governor-Elect Mike Pence Speaks Out on Education," WDRB, November 12, 2012, www.wdrb.com/story/20032400/indiana-governor-elect-mike-pence.

17. "State Ballot Measures, Special Statewide Election" California Secretary of State, November 8, 2005, <http://vote.2005.sos.ca.gov>Returns/prop/00.htm>; "Statement of Vote: Primary Election June 2, 1998," California Secretary of State, http://primary98.sos.ca.gov/Final/P98_SOV.pdf.

18. "Initiative Measure No. 1240 Concerns Creation of a Public Charter School System—County Results," Washington Secretary of State: Elections Division, November 19, 2012, http://vote.wa.gov/results/current/Initiative-Measure-No-1240-Concerns-creation-of-a-public-charter-school-system_ByCounty.html.

19. Debbie Cafazzo, "Initiative 1240: Charting a New Course in Washington?" *News Tribune* (Tacoma-Seattle), October 21, 2012, www.thenewstribune.com/2012/10/21/2339548/initiative-1240-charting-a-new.html.